

Section V

Affordable Housing Policy Direction

This section describes key policies that provide overall direction to the housing and community development efforts of the King County Consortium, specifically the State’s Growth Management Act (GMA) and the Federal Fair Housing Act. It addresses the Consortium’s efforts to encourage affordable and fair housing and to remove barriers to affordable and fair housing consistent with both acts.

This section also describes the Consortium’s location and siting policies for publicly funded housing. These policies take into consideration both the GMA affordable housing policies and the Fair Housing Act in guiding the location and siting of affordable housing funded with the Consortium’s dollars. Finally, this section also contains the Consortium relocation policies.

A. Growth Management Act Policies

In 1990 the Washington State Legislature passed the Growth Management Act (GMA). For the first time in the State’s history, all urban counties and their cities were required to develop and adopt comprehensive plans and regulations to implement the plans. A housing element was required to be a part of every comprehensive plan. To achieve interjurisdictional consistency and coordination, GMA further required that King County and its cities first develop framework policies, the King County Countywide Planning Policies, and that all local comprehensive plans be consistent with these policies.

The Countywide Planning Policies (CPPs) contain affordable housing policies that address both regional and local efforts. The Consortium jurisdictions and the City of Seattle worked together through the staff-level Affordable Housing Technical Forum and the public-private Affordable Housing Task Force to develop the countywide housing policies and identify strategies to create and preserve affordable housing. These policies were approved by the Growth Management Planning Council, a group of 15 elected officials, and then adopted by the Metropolitan King County Council and ratified by the cities in 1994.

The CPPs require that all jurisdictions “provide for a diversity of housing types to meet a variety of needs and provide for housing opportunities for all economic segments of the population.” All jurisdictions must cooperatively

plan for “an equitable and rational distribution of low-income and affordable housing throughout King County.”

The policies establish targets for affordable housing. Each jurisdiction is required to plan so that at least 17% of its new housing units are affordable to households earning at or below 50% of median income and so that 20 or 24% of its new housing units (depending on local conditions) are affordable to households earning between 50 and 80% of median income. Each jurisdiction is required to translate these percentages into numerical targets based upon growth projections; preservation of existing housing counts towards reaching the targets.

***Implementation of
GMA Housing
Policies: Removing
Obstacles and
Encouraging
Affordability***

Each jurisdiction in King County has adopted a comprehensive plan with adequate land zoned to meet their current and future housing needs and served by infrastructures, and with necessary development regulations to implement comprehensive plan policies. The CPP housing policies require that local development regulations include land use, zoning as well as other policies which both remove obstacles to affordable housing and actively encourage affordable housing in communities. According to the CPPs, local actions may include:

- Identifying the costs to develop and preserve subsidized and other low-income housing not provided by private development in the local housing market, and identifying sources of funding.
- Revising land use regulations as needed to remove any unreasonable requirements that may create barriers to siting and operating housing for special needs groups.
- Adopting land use incentive programs or other regulatory measures to encourage private and nonprofit development of affordable housing.

To implement the CPPs, King County and various cities have enacted the following programs to encourage affordable housing:

- **Accessory Housing** - Following a statewide mandate, all jurisdictions with populations greater than 20,000 must allow accessory housing units in single family housing. This housing type is affordable to households at or below 80% of median income. King County, all larger cities and many smaller cities now permit accessory units.
- **Special Needs Housing** - Many jurisdictions have recognized that zoning codes and/or siting policies for special needs housing may impose barriers to providing this housing in their communities. Most jurisdictions have evaluated and changed their policies and codes as needed to remove barriers.
- **Encouraging Small-lot and Townhouse Development** - Many jurisdictions are trying to accommodate affordable housing by increasing the amount of land zoned for moderate to high density housing, including

opportunities for small-lot single family and townhouse development as well as traditional multifamily rental apartment densities.

- **Flexible Subdivision Standards** - Off-site improvements (for roads and utilities) and site development for new residential projects are primarily paid for directly by the developer and add to the cost of housing. Jurisdictions have recognized there are opportunities for flexibility if not innovation in development standards (such as parking requirements, road widths, landscaping requirements, etc.) which can still produce quality housing and neighborhoods but reduce costs. Many cities and the County are amending their zoning codes to allow for flexibility within the bounds of certain “performance” criteria.
- **Impact Fee Exemptions/Reductions** – The GMA allow local governments to exempt low-income housing from impact fees charged for new housing units. King County waives road and school fees for housing serving renters below 50% of median income or homeowners at or below 80% of median income. Several cities have adopted or are considering similar exemptions.
- **Master Plan Developments** – King County and several Eastside Consortium cities are working with private developers to include affordable housing in large urban planned developments. Four large developments are now underway in Redmond, Issaquah, and Snoqualmie. A specific number of affordable units, including housing for households below 80% of median income, must be provided.
- **Density Bonuses** – King County and several cities provide a density bonus for developments that include affordable rental or ownership housing. Developments providing affordable housing may increase the number of dwelling units on the site. King County also allows density bonuses for mobile home parks that accept displaced homes.
- **Home Buyer Assistance** – The cities of Auburn, Federal Way, and Kent have launched home buyer assistance programs, to help lower income households purchase their first home. In addition, King County – in partnership with Fannie Mae and the Washington State Housing Finance Commission – established the Open Door Loan program to help first-time buyers with down payments and closing costs. King County also funds home buyer education classes and one-on-one counseling to help potential buyers with budgeting, credit issues, and other barriers to ownership.
- **Surplus Property** – One of the key barriers to affordable housing development is the difficulty in finding suitable, affordable development sites. King County and several cities have made surplus government-owned property available for low-income housing development. A King County ordinance now gives priority to affordable housing on County-owned surplus property, and vacant properties ranging from single family lots to subdivisions to mixed use sites have been made available for affordable housing. Surplus County buildings (such as the Washington

Center Building) have also been sold with a requirement for affordable housing.

- **Mixed Income Housing Developments** – In 1998, King County established a Credit Enhancement Program, which allows housing developers to lower their cost of private financing. The program is available to private, market-rate housing developments which commit to hold units below-market-rate and therefore increase housing opportunities for lower-income households throughout the County.
- **Regional Coordination** – Many jurisdictions have become active in regional organizations to address affordable housing needs. A Regional Coalition for Housing (ARCH) now includes the cities of Bellevue, Bothell, Issaquah, Kirkland, Mercer Island, Newcastle, Redmond, and Woodinville and King County, and conducts a range of planning, funding and project management roles. In South King County, Tukwila and King County are supporting the growth of a new regional housing organization, A Regional Effort to Achieve Community Housing (REACH) to provide support to local jurisdictions for their housing planning and projects.

Evaluating the Success of GMA Affordable Housing Policies

As part of the CPPs, a benchmark system was created to evaluate jurisdictions' progress in implementing the Countywide Planning Policies. The benchmark system consists of indicators which are designed to measure whether the intended outcomes of the CPPs are being achieved. The status of these indicators is compiled in the *King County Benchmark Report*. The first annual report was issued in 1996. There are nine indicators for the CCP affordable housing policies.

Over time, the Affordable Housing Indicators will allow the Growth Management Planning Council (GMPC) to evaluate the region's progress in fulfilling the Countywide Planning Policies for affordable housing. In 1999 and 2000, the GMPC will conduct its first overall evaluation of the impact these policies have had on the County's affordable housing. If it is discovered that the intended outcomes of the CPPs are not being achieved, the GMPC would take a number of corrective actions.

B. Fair Housing Choice in the King County Consortium

Fair housing is the right of all people to be free from discrimination in the rental, sale, or financing of housing. Federal, state, and local laws protect people's right to freely choose a place to live without regard to their race, color, religion, sex, national origin, disability, parental status, marital status, age, and other factors. Unfortunately, despite these laws, many residents of the King County Consortium do face discrimination when they attempt to rent, buy, or finance a home. King County is committed to eliminate dis-

criminatory practices in housing and to promote fair housing choice for all residents.

In 1997, King County completed its HUD-required *Analysis of Impediments to Fair Housing Choice*, and also produced an accompanying Action Plan. Both of these are available upon request from the King County Housing and Community Development Program. An annual assessment of King County's progress in addressing barriers to fair housing choice can be found in the *Consolidated Annual Performance and Evaluation Report*.

Fair Housing Laws in the King County Consortium

In King County outside Seattle, there are five fair housing laws which apply. The five laws and their associated enforcement agencies are:

- The Fair Housing Act, the federal law enforced by the US Departments of Housing and Urban Development (HUD) and Justice (DOJ). This act applies to all jurisdictions.
- The Law Against Discrimination, the State law enforced by the Washington State Human Rights Commission (WSHRC). This act applies to all jurisdictions in the state.
- The Open Housing Ordinance, the King County law enforced by the King County Office of Civil Rights Enforcement (KCOCRE). This ordinance applies only to unincorporated King County areas.
- The Fair Housing Practices Ordinance, the City of Bellevue law enforced by the City's Code Compliance Officer.
- The Unfair Housing Practices Ordinance, the City of Auburn law enforced by the City's Planning Department.

The federal Fair Housing Act gives HUD the power to determine if state and local fair housing laws are "substantially equivalent" to the federal law. If so, HUD can designate local agencies to investigate and settle or litigate fair housing complaints under the federal as well as the state or local law. *The State Law Against Discrimination and the King County Open Housing Ordinance have been determined to be substantially equivalent to the Federal Fair Housing Act. Therefore, the WSHRC is responsible for investigation of complaints arising in Consortium cities and the KCOCRE investigates those complaints coming from the unincorporated area.*

Fair housing laws provide protection against housing discrimination for a number of groups which are called protected classes. Not all fair housing laws cover the same protected classes, but to be substantially equivalent a state or local law must include at a minimum the same groups as the federal Fair Housing Act. The table below summarizes the groups protected by the federal law and the two substantially equivalent laws in the Consortium.

Table 5-1
Protected Classes Under Various Fair Housing Laws

Protected Class	Federal Law	WA State Law	King County Law
Race	x	x	X
Color	x	x	X
Religion/Creed	x	x	X
Sex	x	x	X
Handicap/Disabled	x	x	X
Familial Status	x	x	X
National Origin	x	x	X
Marital Status		x	X
Age			X
Sexual Orientation			X
Section 8 Recipient	x*		X

* The 1993 Tax Act provides that a tenant cannot be denied occupancy in a Tax Credit project because the tenant holds a voucher or certificate under Section 8 of the Housing Act of 1937.

A wide range of actions are prohibited by fair housing laws, including actions related to the rental, sale, financing, appraising, and advertising of housing. In addition, the law prohibits anyone from refusing to make reasonable accommodations in rules, policies, practices, or services to allow a disabled person full use and enjoyment of a dwelling. It is illegal to interfere with a person's exercise of her or his fair housing rights.

***Many Barriers to
Fair Housing
Choice***

Within the King County Consortium, impediments to fair housing choice exist in the following areas:

- **Rental of housing**

The illegal practices described most often in complaint filings are (1) providing different terms, conditions, or services in rental housing; and (2) refusal to rent. In 1994 and 1995, 221 complaints of housing discrimination in the County outside Seattle were under investigation by HUD or one of the other fair housing enforcement agencies. Most complaints were filed by families with children, minorities, and people with disabilities.

- **Sale and financing of homes**

Analysis of complaint and Home Mortgage Disclosure Act (HMDA) data shows that discriminatory lending practices are the most often cited. HMDA data from 1993 shows that African Americans, Native Ameri-

cans, and those of Hispanic origin applied for and received mortgage loans at rates less than their proportionate share based on population demographics. At all income levels, African-Americans, Native-Americans, and those of Hispanic origin were denied loans much more often than whites.

- **Land use practices**

Local land use practices that have the effect of treating housing for protected classes differently than housing for other people violate the Federal Fair Housing Act. A 1996 survey of Consortium jurisdictions found that, in their policy statements, jurisdictions are highly supportive of fair housing, affordable housing, and special needs housing. However, in the implementation of the policies through land use regulation, many jurisdictions apply special or limiting conditions to the siting and construction of these types of housing.

- **Administrative practices**

Administrative practices within the Consortium also prove to create barriers to fair housing choice. For example, information on fair housing rights can be confusing and hard to find in the Consortium. The quantity of fair housing laws and the differences in protection for certain classes causes confusion and constitutes a barrier. In addition, while most discrimination complaints come from the cities of the Consortium, cities do not presently help fund fair housing enforcement or education activities.

For more detail on the barriers to fair housing choice, please refer to *the Analysis of Impediments*.

**Consortium's
Response to Fair
Housing
Impediments**

In response to the findings of the *Analysis of Impediments*, King County Consortium has generated a *Fair Housing Action Plan* that contains specific actions designed to address the impediments. Included are actions in each of the following five categories.

- Coordination and communication activities
- Education and outreach activities
- Enforcement related activities
- Activities related to land use and siting
- Affordable housing activities

In addition to the specific actions laid out in the Action Plan, King County has a number of practices which demonstrate its commitment to promoting fair choice. They include:

- Ensuring that recipients of federal and local housing funds comply with fair housing laws and affirmative marketing certifications.
- Continuing support for a range of fair housing enforcement, information, and education programs which are already in place. This includes complaint processing, fair lending testing, fair housing training for landlords, and a fair housing newsletter.
- Funding and development of affordable housing, homeless programs, and related activities serving a range of people from protected classes.

During the period covered by this Consolidated Plan, the Consortium intends to update its *Analysis of Impediments* and its *Fair Housing Action Plan*.

C. Location and Siting Policies

This section provides a framework for housing developers, local communities and funding agencies regarding siting of publicly funded housing developments. The section includes Location Evaluation Criteria, which are used to evaluate the proposed location of a housing development, and Good Neighbor Policies, which outline notification procedures intended to foster positive long-term communication with neighbors of the development. These policies govern all housing developments requesting capital funds administered by King County, including the Consortium's CDBG, HOME, and Emergency Shelter Grant (ESG), as well as the County's Housing Opportunity Fund awards. The policies will also be applied to other projects which do not receive capital funds administered by the Consortium but are required to show consistency with the Consolidated Plan.

The objective of the location and siting policies is to encourage housing developments that are tailored to the particular needs and market conditions of communities throughout King County. The following housing laws and policies were taken into consideration as these policies were developed:

- The Consortium strives to invest federal and local housing funds in communities throughout the County, distributing these funds broadly and fairly each year. In addition, it is the Consortium's objective, as well as a CPP policy, to promote an equitable and rational distribution of affordable housing throughout King County. Providing for a diversity of housing types in each jurisdiction will increase housing opportunities for lower-income households, enabling them to live closer to jobs, family and services.
- Numerous housing studies reveal a severe shortage of affordable housing for low-income families and individuals, as well as people with special housing and human services needs, throughout King County. It was in

recognition of this overall shortage of affordable housing countywide – in particular for households below 50% of median income – that led to the adoption of CPP policies that require each jurisdiction to help provide sufficient resources for housing and to remove barriers so that the region as a whole can address these unmet needs. The CPPs require all jurisdictions to help increase funding countywide to address existing unmet housing needs, and to adopt numerical affordable housing targets in local comprehensive plans to ensure that new residential growth will also provide new affordable housing.

- To promote both of the above policies -- a broad distribution of funds and housing opportunities throughout all areas of the consortium, and to help local jurisdictions meet housing targets -- housing policies and location criteria should promote a variety of housing developments tailored to the circumstances of particular communities. Circumstances where jurisdictions may differ include, for example, access to jobs and transportation, the price of real estate in the private housing market, existing housing conditions, local land use policies, and environmental conditions. These factors will shape a housing proposal in terms of income group served, housing density, new construction versus acquisition and rehabilitation, amount of subsidy needed, and so on.
- Both federal and local policies emphasize the importance of informing the public about Consortium programs and providing opportunities for public comment. The Consortium solicits public comments on this Consolidated Plan, on the Annual Action Plan, and at the time housing projects are selected for funding. In addition, direct communication by agencies who provide housing can be especially helpful to increase public awareness of housing needs in the community as well as of successful models of housing developments and programs that address these needs. As individual projects are sited, there is an opportunity for public education and input. If a community notification process is employed at this stage, the notification process should give neighbors appropriate opportunities to learn about the development and to ask for more information, and should avoid stigmatizing the residents and respect their right to privacy.
- Finally, any application of location and siting policies must be extremely mindful of the protections provided by federal, state and local fair housing laws. The entire housing industry has a long history of discrimination, and housing practices still are frequently challenged for their discriminatory impact. The residents who are served in publicly funded housing projects are frequently members of “protected classes,” so the need to allow fair access and opportunity for these developments must be an essential feature of location and siting policies.

Location Evaluation Criteria

Location evaluation criteria are used to assess the suitability of a proposed location when a housing development is applying for public funds. This evaluation occurs at two levels: the subregional/community level and the specific site level. In the subregional/community level evaluation, the proposed development is assessed in light of locally identified needs, housing needs identified through various countywide housing and services plans, and existing housing available through the local housing market. Once a subregion or community is identified and the sponsor is looking at specific sites, the site specific level evaluation considers the development's compatibility with the needs of the proposed residents and with local land use regulations. It should be noted that location is only one of many criteria the Consortium uses for evaluating a development proposal; applications are also evaluated for financial feasibility, agency capacity, housing benefit, and consistency with other policies and funding requirements.

In some cases, a specific site has not been identified at the time the development applies for public funds. A funding award may be made, contingent on the Consortium's evaluation and approval of the specific site.

Subregional/Community Level Criteria

The following community level evaluation criteria will be applied to housing developments proposed for Consortium funding:

1. Housing developments must create or preserve units which will rent or sell at an affordable price not available in sufficient supply in the local housing market, thereby providing increased housing opportunities for the intended residents. Applicants will provide housing market information for the surrounding community as part of a funding application. See Section IV of this plan for a summary of the housing market.
2. Housing developments which provide affordable housing for a mix of household incomes are encouraged, when appropriate, as way to avoid concentration and isolation of very low-income households and to increase the economic viability of the development.
3. In communities where lower-cost market-rate housing is available, priority will be given to projects that improve the condition of existing housing, providing below-market rents and improved living environments for current residents. New construction may be appropriate when the residents require a housing size or type not readily available in the community.
4. In communities where affordable housing is very limited or unavailable, both acquisition and new construction projects that increase the supply of below-market-rate housing are appropriate. The higher cost

of new construction projects is offset by the benefit of increasing housing opportunities for low-income people in these communities thus avoiding concentration and isolation of very-low income households.

5. Housing developments that will serve a special needs population (for example, people with developmental disabilities or homeless youth), must demonstrate that the proposed location of the development is consistent with the housing needs and services gaps identified in the relevant human services/housing plan. Efforts will also be made to distribute these units throughout the region to provide housing opportunities in the residents' home communities.
6. Developments providing home ownership opportunities for first-time home buyers are encouraged throughout King County, especially in communities where the rate of homeownership is lower than the County average. Projects providing homebuyer education, counseling and purchase assistance are particularly encouraged in communities where existing homes are relatively affordable to households with incomes below 80 percent of median.
7. Housing developments that preserve existing subsidized housing or below-market-rate housing that is at risk of being lost due to demolition, conversion or closure are encouraged throughout King County.

Site Level Criteria

If a site has been determined at the time a project is reviewed for funding, King County, in consultation with city staff, will review the site level criteria. If a project receives a fund award without a site identified, King County, in consultation with city staff, will also evaluate any identified site in terms of the following:

1. Housing developments must demonstrate that the specific site proposed for the project is suitable for the proposed residents, and allows for sufficient access to transportation, jobs, services and other amenities according to the particular needs of the residents.
2. To promote increased housing diversity and opportunities for low-income residents, new housing developments will be strongly encouraged to locate in neighborhoods where housing options for the proposed population do not exist. Housing developments located in close proximity (within one-quarter mile) to large existing publicly funded housing (200 units or more) will be discouraged, unless the location is supported by the local jurisdiction. For example, if a new low-income rental housing development had the option of locating either a few blocks from a large publicly funded housing development or within a neighborhood with few (or no) publicly supported units,

holding non-financial considerations equal, the latter option would be encouraged. Single family homes are exempt from this criteria.

3. Housing developments must comply with all local zoning and land use policies of the jurisdiction. The development sponsor is responsible for contacting the appropriate jurisdiction and must provide documentation that the site meets all applicable land use and zoning regulations, including any variances or conditional use permits approved by the jurisdiction.
4. Proposals must adequately address environmental issues; sites where environmental conditions significantly increase project cost and/or risk are discouraged.
5. Proposals must demonstrate that necessary infrastructure and utilities are available or can be provided in a cost-effective manner.

Good Neighbor Policies

The King County Consortium strongly encourages housing developers to communicate with the surrounding community when siting a housing development. Early, two-way communication can help establish a foundation of trust between the developer and the neighbors. Many experienced housing developers have found that the long term success of publicly funded housing developments is enhanced when they make the effort to establish positive community relationships early in the development process.

The Consortium's objective of encouraging notification of neighbors is to provide appropriate opportunities for neighbors to learn about the development and the housing provider. They can then ask questions and receive answers about concerns they may have. If appropriate, the provider and neighbors may establish opportunities for ongoing communication and/or neighbor involvement in the housing program. At the same time, the process must respect the rights of future residents and their need for privacy.

This section contains suggested guidelines for a community notification process. The guidelines should be adapted to meet the particular needs of a development and neighborhood. Housing developers are encouraged to consult with County housing staff when developing their community notification process. County staff can provide information about the particular community and recommendations regarding local contacts. HCD is preparing a pamphlet with suggestions for establishing good community relations, which will be available to assist housing developers.

A community notification process is not required in order to receive funding. Funding decisions cannot be conditioned on the community response or whether a development sponsor elects to pursue a community notification process. Housing projects for which confidentiality is important, particularly domestic violence shelters, may limit their notification as appropriate.

The steps undertaken by housing developers involved in a community notification process include:

1. Contact King County housing staff for information, including city contacts, neighborhood contacts, and location of other publicly funded housing in the vicinity.
2. Contact local jurisdiction staff if the development is located within a city, to obtain additional neighborhood contacts and information about the community.
3. Prepare written descriptions regarding the housing provider -- its mission, experience, other housing developments -- and the proposed development, including building type, construction schedule, housing program, and intended residents.
4. Notify neighbors and local community organizations as appropriate.
5. Schedule meeting(s) with interested neighbors and community organizations.
6. Notify other interested parties regarding any community meeting that has been scheduled. These would include city staff, County housing staff, County Councilmember's office, and others who have expressed an interest in the community notification process.
7. Conduct the meeting, and follow-up with answers to any questions that are raised.
8. Invite neighbors and community organization representatives to a ground-breaking and/or open house.

D. Relocation Policies

This Section contains policies regarding displacement and relocation of residential tenants and businesses as a result of projects supported with public funds. These policies apply to all projects that receive County or Consortium funds, including both housing and community development projects. The level of relocation benefits provided to households and business who are displaced will vary depending on the sources of public funds.

Any agency considering a project involving a facility occupied by residential and/or business tenants must consult with King County's Relocation Specialist prior to submitting a funding application. Early consultation will assist the applicant in developing an adequate budget for relocation assistance benefits, staff time and any additional operating costs, as well as ensure that the applicant provides appropriate and timely notification to tenants to meet legal requirements for use of public funds.

General Anti-Displacement and Relocation Policies

It is the King County Consortium’s policy to discourage proposals which would cause the displacement of people or businesses. Consistent with the goals and objectives for federally assisted activities, King County will support the following types of projects, when feasible, to minimize the displacement of persons or businesses:

- acquisition of properties which are being voluntarily sold by an owner-occupant so that relocation is not the direct result of the project
- new construction
- projects which require only temporary relocation if relocation is needed
- retention of buildings currently housing low- and moderate-income tenants
- projects which allow existing tenants, who do not qualify for the project, to leave through attrition
- projects which will not cause increases in neighborhood rents as a result of cumulative impacts of CDBG or HOME investments in neighborhood

In some types of projects, acquisition of occupied buildings and displacement of existing tenants may be unavoidable. The project may include special needs housing where services will be provided on-site to residents; housing developments using other fund sources that do not permit non-eligible households to remain in residence; and developments in higher income communities where buildings occupied exclusively by lower-income households are not available. Funding for projects that involve displacement will be considered on a case-by-case basis. The project evaluation will include the public benefit of the project, the extent and cost of relocation, and the feasibility of project alternatives that do not involve displacement of tenants.

Federal Relocation Assistance Requirements

The following relocation assistance benefits and procedures will be required when a project includes federal funds and is subject to the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 as amended (“URA”) and/or Section 104(d) of the Housing and Community Development Act of 1974, as amended (“Barney Frank Amendment”).

King County Housing staff are responsible for ensuring that requirements are met for notification and provision of relocation assistance, as described in the URA and The Barney Frank Amendment.

Uniform Relocation Act (URA)

If a County-assisted federally funded activity involves acquisition of a property with existing residential or business tenants, the following URA notification and relocation assistance policies apply.

Prior to signing the purchase and sale agreement, the agency must inform the seller in writing that it does not have the power of eminent domain. The agency must also provide the seller with an estimate in writing of the fair market value of the property (i.e., an appraisal).

Any tenant (resident or business) in occupancy at the signing of the purchase and sale agreement is protected under the URA. All tenants must be notified in writing at the time the purchase and sale agreement is signed. This notice informs the tenant of the pending sale and of their rights under the URA. If the seller rents any vacant units between the signing of the purchase and sale agreement and closing the new tenant must be notified of the pending sale. All tenants must be kept informed of project activities and scheduling.

Tenants who are displaced are eligible for financial benefit. All displaced tenants receive moving costs. In addition, residential tenants who are permanently displaced are eligible for a rent differential payment for 42 months. Displaced businesses are eligible for a rent differential payment for 24-months. Tenants who are temporarily displaced are eligible for all reasonable out-of-pocket expenses related to the temporary move.

The URA also protects tenants who remain after an agency has acquired the property. If the rent of residential tenants who remain is increased as a result of the federal assistance, the increased rent may not exceed HUD's fair market rent. In addition, the new housing costs may not exceed 30% of the household's gross monthly income.

All tenants, whether they are eligible to remain in the project or are displaced, must be offered a decent, safe and sanitary unit. Any overcrowding must be addressed. Building codes determine occupancy limits, but King County typically permits no more than two persons per bedroom plus one additional person. An overcrowded household who is eligible to remain in a project must be offered a unit on site that accommodates their household size. If a unit is not available on site, they are considered displaced and eligible for relocation benefits necessary to house them in a unit that accommodates their family size. All tenants who are not eligible to remain must be offered relocation benefits that allow them to relocate to a unit that is appropriate in size for their household.

Barney Frank Amendment

If a County-funded, federally assisted activity involves demolition or conversion of low- and moderate-income housing, King County will ensure that all occupied and vacant occupiable low-income dwelling units are replaced as required by the Barney Frank Amendment. All replacement housing units

will be provided within three years after the commencement of the demolition or conversion.

Before entering into a contract committing King County to provide funds for an activity that will directly result in demolition or conversion, King County will publish a notice in the regional or local newspaper and submit to HUD the following information in writing:

- A description of the proposed assisted activity;
- The location on a map and number of dwelling units by size (number of bedrooms) that will be demolished or converted to a use other than as low-income dwelling units as a direct result of the assisted activities;
- A time schedule of the commencement and completion of the demolition or conversion;
- The location on a map and the number of dwelling unit by size (number of bedrooms) that will be provided as replacement dwelling units. If such data are not available at the time of the general submission, King County will identify the general location on an area map and the approximate number of dwelling units by size and provide information identifying the specific location and number of dwelling units by size as it is available.
- The source of funding and a time scheduled for the provision of the replacement dwelling units;
- The basis for concluding that each replacement dwelling unit will remain a low-income dwelling unit for at least 10 years from the date of initial occupancy;
- Information demonstrating that any proposed replacement of dwelling units with smaller dwelling units (e.g., a 2-bedroom unit with two 1-bedroom units) is consistent with the housing needs of lower-income households in King County.

Local Relocation Policies (“Optional Policy”)

Federal regulations permit King County Consortium CDBG funds to be used, in limited circumstance, to pay relocation benefits to households or businesses displaced by otherwise non-CDBG-assisted projects. Federal URA and Barney Frank Amendment requirements do not apply. The Consortium may only provide relocation assistance based upon a determination that the assistance is appropriate, and according to a written policy that describes the assistance and provides for equal relocation assistance across each class of displacees (the local “Optional Policy”).

The following policy will apply if a jurisdiction elects to provide CDBG funds for relocation assistance. The relocation assistance procedure and benefit under this policy will also be applied when local county housing funds (for example, Housing Opportunity Fund) are used in a project that involves displacement. The policy requires:

- The jurisdiction granting the funds must be provided a written determination that relocation assistance is appropriate given the jurisdiction's community development objectives as outlined in local program policies.
- The award of relocation payment must meet a national CDBG objective in that either (1) relocation payments are made directly to low/moderate-income people or (2) the subsequent use of the property benefits low- and moderate-income people.
- If federal funds are used to pay relocation costs, the project must be located within King County's CDBG or HOME Consortium areas.
- The project sponsor is responsible for screening tenants and must provide documentation to King County to show income eligibility (if income screening is necessary to meet the national objective).
- The project sponsor must provide the names and addresses of the households eligible to receive assistance.
- Relocation assistance is \$4,000 per household. Each household has the option of declining this assistance. If the household receives relocation payments from any government-sponsored entitlement program, CDBG benefits will be reduced by that amount. Nothing in this policy would preclude a project sponsor or a jurisdiction from providing additional relocation assistance using other sources of funds.
- King County will pay relocation benefit(s) directly to the displaced household(s) rather than to the project or project sponsor.

Relocation Policy for Projects Receiving Tax Exempt Bond Financing or Low-Income Housing Tax Credits

The Washington State Housing Finance Commission (WSHFC) tax exempt bond financing program and the low income housing tax credit program require project sponsors to have a relocation plan approved by the local jurisdiction as part of the application process. The King County Consortium has developed the following relocation policy for use by all jurisdictions in order to provide consistency for these fund sources. The policy is designed to minimize the impact to all tenants currently residing in projects undergoing conversion to low income housing, and to establish consistent policies to be adhered to should relocation of tenants become necessary.

Whenever possible, conversion of an apartment community to a low income housing project should be attempted without relocation of any tenants, through naturally occurring unit "turnover" (i.e., when a nonqualified tenant moves out of the project, the vacant unit would be held open until a qualified low income tenant is found to reside in the unit) until such time as the project meets the "Terms of Compliance" for the specific program in which it is participating.

Relocation should occur only to the extent necessary to allow the Ownership to meet the requirement of the program “Terms of Compliance,” as follows:

- WSHFC Tax Exempt Bond Financing. Under the terms of a Tax Exempt Bond issued by the WSHFC, 40% of the units must be occupied by Tenant earning no more than 60% of the Area Median Income within 90- days of bond issuance.
- Low-income Housing Tax Credit Program. To participate in the Tax Credit Program, 100% of the designated units of each building must be occupied by tenants earning no more than 60% of the Area Median Income by the end of the first year ownership elects to participate in the program. The Ownership may elect to participate in the Tax Credit Program at a level less than 100% in which case the percentage of units that must be occupied by tenants earning no more than 60% of the Area Median Income is reduced proportionately. For example, if the Ownership elects to participate at the 90% level, 90% of the units in each building must be occupied by tenant earning no more than 60% of Area Median Income by the end of the first year in which the Ownership elects to participate in the Tax Credit Program.

To the extent relocation is required, a plan consistent with the following guidelines should be implemented to insure a smooth transition for all tenants

Notice of Project Conversion. Immediately after closing on the project, an open letter from the Ownership to all residents of the project will be delivered to each household. The letter will explain that the project is being converted to low income housing units. The letter will further explain what information is needed for income verification and the deadline for that information, the possibility that some residents may be asked to relocate, and that relocation assistance will be available to those asked to relocate. Further, tenants will be informed that they may be asked to relocate if they do not comply with income verification request. The letter should also specify the time and location of an Ownership/Residents meeting to further explain the process or project conversion and to address individual questions.

Relocation Tenant. A relocation tenant is specifically defined as a tenant who has been requested to cease tenancy of the subject property by the Ownership of the property for the specific purpose of compliance with low income housing programs or the rehabilitation of their unit.

Tenants who voluntarily decide to move from the project because it is being converted to a low income housing project, or for any other personal reason, are deemed to do so as their own free will and choice, and therefore are not eligible for any relocation assistance. The Ownership may elect to provide

assistance as a courtesy to the tenants, however, the Ownership is not obligated to provide such assistance.

Qualified Tenant: *Tenants whose incomes are less than 60% of the Area Median Income are “Project Qualified” and will not be asked to relocate for purpose of program compliance.* Qualified tenants should not be relocated unless necessary to accomplish rehabilitation of their unit. If rehabilitation of a unit requires relocation of a tenant, a separate relocation plan specifically addressing the temporary or long term need for accommodations must be submitted and approved by jurisdiction.

Relocation Tenant Selection. If the project will have less than 100% designated units, relocation tenants will be selected from a list of non-qualified tenants (those whose income exceeds 60% of median income). Non-qualified tenants will be selected on the following basis:

- Non-responding tenants. Tenants who do not respond to repeated request for income verifications, or are unwilling to participate in income verification procedures should be the first Relocation Tenants.
- Volunteers. Tenants who offer to relocate with assistance should be selected next.
- Income. Tenants with the highest incomes should next be asked to relocate.

Households with children, elderly or handicapped tenants should be avoided when selecting Relocation Tenants.

Notice to Relocate. All tenants selected for relocation will be given formal notification regarding the need to relocate with a minimum of ninety (90) days notice of the date they must relocate along with information about why they were selected and the relocation assistance available to them. Consideration of a longer notice period may be granted if the tenant demonstrates a special circumstance (for instance, health reasons) and that hardship could be alleviated by extending the notice period.

Relocation Assistance. Moving cost assistance in the amount of \$4,000 cash will be paid to all Relocation Tenants. All Relocation Tenants will be provided special consideration of all requests for early return of deposit or other special concerns which relate to their household.

Tenants may receive moving cost assistance in either of the following ways:

- Prior to Actual Move Out: Prior to actual move out, the tenants may present actual invoices from moving, truck rental, or utility companies and a check will be issued directly to the vendor providing services. Balance of funds not paid to vendors will be paid directly to tenant upon vacating unit and completion of move out report.

- At move out: The tenant may elect to have entire amount paid directly to them upon vacating unit and completion of move out report.

Progress Reports: The Ownership will provide quarterly progress reports to the local jurisdiction which describe notification procedures, timeline and relocation activities.

